THE HONOURABLE SRI JUSTICE V. ESWARAIAH

WRIT PETITION Nos.3900 AND 4817 OF 2007

DATED: 22-03-2007

WP.No.3900 of 2007

BETWEEN

M/s. S.Z.F Private Limited,
(Formerly known as Sanghi Zip
Fasteners Private Limited)
Sanghi Nagar, Hayathnagar Mandal,
Ranga Reddy District, Rep. by its
Director, Sri Sudhir Sanghi,
S/o. Sri Ramsaran Sanghi,
R/o. Hyderabad.

...PETITIONER

AND

Government of Andhra Pradesh,
Rep. by its Principal Secretary,
Labour, Employment, Training
And Factories (IMS) Department,
Secretariat, 2nd Floor, L-Block,
Saifabad, Hyderabad and another.

...RESPONDENTS

WP.No.4817 of 2007

BETWEEN

M/s. Sanghi Polyesters Limited
Sanghi Nagar, Hayathnagar Mandal,
Ranga Reddy District, Rep. by its
Director, Sri Sudhir Sanghi,
S/o. Sri Ramsaran Sanghi,
R/o. Hyderabad.

...PETITIONER

AND

Government of Andhra Pradesh,

Rep. by its Principal Secretary,
Labour, Employment, Training
And Factories (IMS) Department,
Secretariat, 2nd Floor, L-Block,
Saifabad, Hyderabad and another.

…RESPONDENTS

COMMON ORDER:

Petitioners seek a Writ of Mandamus to declare the action of the first respondent in not disposing the exemption applications pending from 2004 to exempt the petitioners-companies from the purview of the provisions of the Employees' State Insurance Act, 1948 (for short 'the Act').

2. Learned counsel for the petitioners submits that the petitioners-companies have made applications dated 19.04.2004 and 25.08.2004 respectively for grant of exemption to implement the ESI Scheme.
He further submits that pending disposal of the aforesaid applications, the second respondent vide proceedings dated 23.11.2006 and 22.11.2006 passed orders proposing to determine and recover contributions payable in respect of the petitioners companies under Section 45-A of the Act for a sum of Rs.2,79,923/- and Rs.23,79,422/-respectively. The second respondent attached the bank account of the petitioner company in W.P.No.4817 of 2007 and drawn an amount of Rs.2,00,000/- and the remaining balance is Rs.21 lakhs.

3. Admittedly as against the said orders passed by the second respondent the petitioners-companies have an effective alternative remedy for settlement of the dispute under Section 75 of the Act before the Employees Insurance Court. Therefore, this Court while admitting the writ petition in W.P.No.4817 of 2007 on 09.03.2007 directed the petitioner-company to avail the remedy before the Employees Insurance Court under Section 75 of the Act and the recovery proceedings have been stayed for a period of two weeks subject to the condition that the petitioner-company

deposits half of the demanded amount by taking into account the amount already deposited.

4. However, it is stated that the Government decided to dispose the said applications of the petitioners-companies and fixed the date for consideration of the said applications on 24.03.2007.

5. As the Government has taken steps to consider and dispose the applications of the petitioners and as the date has also been fixed on 24.03.2007, no orders are required to be passed in the writ petitions. However, insofar as the recovery proceedings are concerned, the time stipulated by this Court on 09.03.2007 in WPMP.No.6170 of 2007 is extended for a further period of one more week from today.

The writ petitions are accordingly disposed of. There shall be no order as to costs.

_____

V. ESWARAIAH, J

March 22, 2007
DSK